Docket No.: 1907-0230PUS1
(Patent)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Patent Application of: Yukitaka SHIMIZU et al.	**Before the Board of Appeals**
Application No.: 10/565,853	Confirmation No.: 8106
Filed: January 26, 2006	Art Unit: 3685
For: ACCOUNTING SYSTEM CONTENT REPRODUCTION DEVICE, LICENSE SALES DEVICE, PROGRAM AND RECORDING MEDIUM	Examiner: K. Muhammed

APPEAL BRIEF

MS APPEAL BRIEF-PATENTS
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This Appeal Brief is in furtherance of the Notice of Appeal filed in this case on April 28, 2011.

This brief contains items under the following headings as required by 37 C.F.R. § 41.37 and M.P.E.P. § 1206:

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APPEAL BRIEF ON BEHALF OF APPELLANT

MS APPEAL BRIEF-PATENTS
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

I. REAL PARTY IN INTEREST

The real party in interest for this application is the Assignee, SHARP KABUSHIKI KAISHA.

II. RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences that will directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

III. STATUS OF CLAIMS

A. Total Number of Claims in Application

There are 20 claims pending in application.

B. Current Status of Claims

1. Claims canceled: 1-13, 26, and 27

2. Claims improperly withdrawn from consideration but not canceled: 15, 18, 19, 24, 25, 28, and 31-33

3. Claims pending: 14-25 and 28-35

4. Claims allowed: none

5. Claims rejected: 14, 16, 17, 20-23, 26, 27, 29, 30, 34, and 35.

C. Claims on Appeal

The claims on appeal are claims 14, 16, 17, 20-23, 29, 30, 34, and 35

IV. STATUS OF AMENDMENTS

The amendment filed January 28, 2010 was refused entry by the Advisory Action of May 3, 2011.

V. SUMMARY OF THE CLAIMED SUBJECT MATTER

Independent claim 14

Independent claim 14 is directed to an accounting system that is generally illustrated by exemplary Fig. 1 and more specifically shown by exemplary Fig. 2 as to the details of the content reproduction device (e.g., 10).

This accounting system includes a license server (see license server 31 of Fig. 2, for example) connected with an accounting server (see accounting server 32 of Fig. 2, for example). The accounting system also includes a content reproduction device (see the detailed showing of content reproduction device 10 of Fig. 2, for example).

The content reproduction device 10 reads out (via exemplary prepaid card access unit 12 of exemplary Fig. 2) an accounting ID identifying money information from a prepaid card (exemplary prepaid card 50 of Fig. 2, for example). See the exemplary description of the accounting ID identifying money information at page 6, lines 5-6 of numbered item [0015] of the specification and step S4 of Fig. 7 described in lines 7-9 of item number [0054] on page 24 of the specification. A content ID identifying a desired encrypted content and the accounting ID are then transmitted to the license server. For example, identification information for identifying the encrypted content and the accounting ID are provided by the content reproduction device 10

reading the prepaid card 50 and sent to the license server 31 as noted, for example, in lines 1-6 of item number [0030] on page 15 of the specification as well as to step S5 of Fig. 7 described in lines 10-13 of item number [0054] on page 24 of the specification. The transmission is through a communication network, like exemplary network 40 of Fig. 1 noted in lines 6-10 of numbered item [0034] at page 17 of the specification.

The decoding information needed to decode the desired encrypted content is provided from the license server 31. For example, note page 23, lines 1-3 of numbered item [0050] and step S10 of Fig. 7. This is done when the license server 31 determines that decoding information can be provided to the content reproduction device (e.g., to 10, see e.g., page 16, lines 1-7 of numbered item [0031] and page 22, lines 1-5 of numbered item [0047]). The license server (e.g. 31) is further described to receive the content ID and the accounting ID (e.g., see page 15, lines 1-6 of numbered item [0030] and page 21, lines 1-3 of numbered item [0045] of the specification and above-noted step S5 of Fig. 7) from the content reproduction device (e.g., 10) and to transmit an accounting amount obtained from the received content ID and the accounting ID (e.g., see the descriptions at page 21, lines 1-9 of numbered item [0045] and lines 1-3 of numbered item [0046], as well as the description at page 25, lines 1-4 of numbered item [0055] of the specification) to the accounting server (e.g., 32, see also step S6 of exemplary Fig. 7) that compares the accounting amount to a remaining amount of money information corresponding to the received accounting ID. See the exemplary description at page 22, lines 1-7 of numbered item [0048] of the specification and the exemplary description at page 25, lines 1-11 of numbered item [0056] of the specification. This accounting server (e.g., 32) will cause the subtraction of the accounting amount from the remaining amount of money information corresponding to the received accounting ID when the remaining amount of money information corresponding to the received accounting ID is larger than the accounting amount and then return an indication of a successful accounting result to the license server (e.g., 31), as described in the specification at page 25, lines 1-11 of numbered item [0056] relating to steps S7 and S8 of Fig. 7 and noting the subtraction by the processing of the accounting server (e.g., 32).

Upon receipt of the indication of the successful accounting result from the accounting server (e.g., 32), the license server (e.g., 31) determines that the decoding information corresponding to the content ID will be provided (e.g., see pages 25-26, lines 1-4 of numbered item [0057] relating to steps S9 and S10 of Fig. 7) to the content reproduction device (e.g., 10)

through the communication network (e.g., see Fig. 1, 40). Further note step S11 of exemplary Fig. 7 described in lines 5- 9 of item [0057] on page 26 of the specification. Thus, the content reproduction device (e.g., 10) can then perform decoding (e.g., 10 includes decoding unit 16 of Fig. 2) each time the particular encrypted content is selected to be decoded for reproduction (e.g., see page 20, lines 1-11 of numbered item [0043].

Independent claim 16

Independent claim 16 is directed to an accounting system that is illustrated by Figs. 9 and 10, for example.

As shown by exemplary Fig. 9 the system includes a content reproduction device (like content reproduction device 10D) and a license server (like license server 31A). The license server (like license server 31A) is connected to an accounting server (like accounting server 32A). The license server (like license server 31A) is further connected to a license vending machine (like license vending machine 60E) through a communication network (like the communication network 40). This arrangement is further described in lines 1-10 of numbered item [0064] at page 29 of the specification, for example.

As shown in more detail in Fig. 10, for example, the license vending machine (bearing reference numeral 60 in Fig. 10, for example) receives a license card (like license card 70, for example). This license card 70 lacks decoding information and is read to determine desired encrypted content for which decoding is desired as shown by Fig. 10, for example. Further note the specification at page 30, lines 1-5 of numbered item [0067] and at page 31, lines 1-7 of numbered item [0070], for example. The license vending machine 60 further reads out an accounting ID identifying money information and the content ID from the license card 70 corresponding to the desired encrypted content, for example. Further note step S31 of Fig. 12, for example. The nature of the accounting ID identifying money information is explained in the specification at page 30 in lines 1-5 of numbered item [0067], for example.

Then, the license vending machine 60 transmits the content ID and the accounting ID to the license server 31 (see step S32 of Fig. 12 and numbered item [0080] at the bottom of page 35 of the specification, for example), to receive the needed decoding information from the license server 31 based upon the content ID and the accounting ID transmitted to and processed by the license server 31 and then the needed decoding information correspondingly to the content ID

and the desired encrypted content are recorded into the license card when supplied by the licensing server 31 (see steps S37 and S38 of Fig. 12 and lines 5-15 of numbered item [0084] bridging pages 37 and 38 of the specification, for example). Further note the specification at pages 31, lines 4-12 of numbered item [0070] and page 32, lines 1-7 of numbered item [0071], for example. In order to do this, the licensing server 31 receives the content ID and the accounting ID from the license vending machine 60 and then transmits an accounting amount obtained based on the received content ID and the accounting ID to an accounting server 32. See exemplary step S34 of Fig. 12 described in lines 1-9 of numbered item [0082] at the bottom of page 36 of the specification and further note the specification at page 31, lines 8-12 of numbered item [0070], for example.

The accounting server 32 then compares the accounting amount to a remaining amount of money information corresponding to the received accounting ID and when the remaining amount of money information corresponding to the received accounting ID is larger than the accounting amount the accounting server subtracts the accounting amount from the remaining amount of money information corresponding to the received accounting ID and returns an indication of a successful accounting result to the license server 31 in the same manner as noted above as to claim 14. See the specification at page 37, lines 1-2 of numbered item [0083] as to exemplary step S35 of Fig. 12 and page 22, lines 1-7 of numbered item [0048] and the exemplary description at page 25, lines 1-11 of numbered item [0056] as to embodiment 1, for example.

Upon receipt of the indication of the successful accounting result from the accounting server 32, the license server 31 determines that the decoding information corresponding to the content ID will be provided to the license vending machine 60 through the communication network 40 as described at page 37 of the specification as to lines 1-8 of numbered item [0084] and shown by steps S36 and S37 of Fig. 12, for example.

The content reproduction device 10 then can receive and read the now updated license card 70 with the recorded decoding information stored in the license card 70 that corresponds to a content ID identifying particular encrypted content selected for reproduction and to then perform decoding with the stored selected decoding information each time the particular encrypted content is selected to be decoded for reproduction. See page 34 of the specification as to lines 1-9 of numbered item [0076] as to step S23 of Fig. 11 and lines 1-7 of numbered item [0077] as to step S24 of Fig. 11, for example.

Independent claim 34

Independent claim 34 is directed to a computer-readable recording medium physically recording thereon a computer program for controlling an accounting system including a license server (like the above-noted license server 31 of Figs. 1-2) connected with an accounting server (like accounting server 32 of Figs. 1-2) and further connected to a content reproduction device (like the above-noted content reproduction device 10) through a communication network (like the above-noted communication network 40 of Fig. 1). See the specification at page 43 in lines 1-10 of numbered item [0095] as to clearly non-transitory computer-readable recording mediums being the only disclosed recording mediums that will "physically" record the computer readable program of this claim. A content ID identifying a desired encrypted content and the accounting ID is transmitted to the license server 31 (e.g., identification information for identifying the encrypted content and the accounting ID are provided by the content reproduction device 10 reading the prepaid card 50 an sent to the license server 31 as noted, for example, in lines 1-6 of item number [0030] on page 15 of the specification as well as to steps S4 and S5 of Fig. 7 described in lines 7-9 and in lines 10-13 of item number [0054] on page 24 of the specification) through a communication network (e.g., like 40 of Fig. 1 noted in lines 6-10 of numbered item [0034] at page 17 of the specification).

The computer program "physically" recorded on the medium then controls the content reproduction device 10 to read out an accounting ID identifying money information (see the above-noted exemplary description of the accounting ID identifying money information at page 6, lines 5-6 of numbered item [0015] of the specification) from a prepaid card (e.g., 50) as explained above relative to step S4 of exemplary Fig. 7 described in lines 7-9 of item number [0054] on page 24 of the specification. The control of the transmission of the content ID that identifies a desired encrypted content and the accounting ID to the license server (e.g., 31) through a communication network (e.g., 40) is explained relative to the above-noted step S5 of exemplary Fig. 7 described in lines 10-13 of item number [0054] on page 24 of the specification and the other above-noted related disclosures.

The content reproduction device (e.g., 10) is also controlled by the computer reading the program to receive decoding information needed to decode the desired encrypted content from the license server (e.g., 31) when the license server (e.g., 31) determines that decoding information can be provided to the content reproduction device. See the above-noted steps S9

and S10 of exemplary Fig. 7 described in lines 1-4 of item number [0057] on pages 24 and 25 of the specification and the other above-noted related disclosures.

The license server (e.g., 31) controlled by the computer reading the program is further controlled to receive the content ID and the accounting ID from the content reproduction device and to transmit an accounting amount obtained from the received content ID and the accounting ID to the accounting server (e.g. 32). Note again page 15, lines 1-6 of numbered item [0030] and page 21, lines 1-3 of numbered item [0045] of the specification and the above-noted step S5 of Fig. 7) from the content reproduction device (e.g., 10). The license server (e.g., 31) is later controlled to provide the decoding information corresponding to the content ID to the content reproduction device (e.g., 10) through the communication network (e.g., 40) when the license server receives an indication of a successful accounting result from the accounting server (e.g., 32). Note again steps S9 and S10 of exemplary Fig. 7 described in lines 1-4 of item number [0057] on pages 24 and 25 of the specification and the other above-noted related disclosures.

The accounting server (e.g., 32) is controlled to compare the accounting amount received from the license server (e.g., 31) to a remaining amount of money information corresponding to the accounting ID also received from the license server (e.g., 31). See the above-noted exemplary description at page 22, lines 1-7 of numbered item [0048] of the specification and the exemplary description at page 25, lines 1-11 of numbered item [0056] of the specification. This accounting server (e.g., 32) is then controlled to cause the subtraction of the accounting amount from the remaining amount of money information corresponding to the received accounting ID when the remaining amount of money information corresponding to the received accounting ID is larger than the accounting amount and to then return an indication of a successful accounting result to the license server (e.g., 31). See the above-noted exemplary description in the specification at page 25, lines 1-11 of numbered item [0056] relating to steps S7 and S8 of Fig. 7 and noting the subtraction by the processing of the accounting server (e.g., 32).

Independent claim 35

Independent claim 35 is similar to above-noted independent claim 34 as to being directed to a computer-readable recording medium physically recording thereon a computer program for controlling a content reproduction device (like the above-noted content reproduction device 10)

connected through a communication network (like the above-noted communication network 40) to a license server (like the above-noted license server 31) that is connected with an accounting server (like the above-noted accounting server 32). Note again the specification at page 43 in lines 1-10 of numbered item [0095] as to clearly non-transitory computer-readable recording mediums being the only disclosed recording mediums that will "physically" record the computer readable program of this claim.

As also noted above, the computer program controls the content reproduction device (e.g., 10) to read out an accounting ID identifying money information from a prepaid card (e.g., 50). Note lines 1-6 of item number [0030] on page 15 of the specification as well as to step S4 of Fig. 7 described in lines 7-9 of item number [0054] on page 24 of the specification, for example.

The above-noted computer program further controls the content reproduction device (e.g., 10) to receive decoding information needed to decode the desired encrypted content (as noted above relative to step S11 of exemplary Fig. 7 described by lines 5-9 of item [0057]) from the license server (e.g., 31) when the license server (e.g., 31) and the accounting server (e.g., 32) cooperate to determine that decoding information can be provided to the content reproduction device (e.g., 10) (as noted above relative to steps S6-S10 of exemplary Fig. 7 described by items [0055]-[0057] on pages 24-26 of the specification) based upon a successful accounting result provided from the accounting server (e.g., 32) to the license server (e.g., 31) that enables the accounting server (e.g., 32) to transmit the decoding information needed to decode the desired encrypted information to the content reproduction device (e.g., 10). See again the description of steps S8-10 of exemplary Fig. 7 described by items [0056]-[0057] on pages 25-26 of the specification.

The summary to the claimed invention herein is being made to comply with the Patent Office rules in submitting Briefs and is not to be considered as limiting the claimed invention.

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The Final Office Action provides three (3) grounds of rejection for review on appeal.

1) Claims 14, 16, 20, 22, 23, canceled claims 26 and claim 27 stand rejected under the second paragraph of 35 U.S.C. §112.

2) Claims 34 and 35 stand rejected under 35 U.S.C. §102(b) as being anticipated by Ishiguro (U.S. Patent No. 7,216,368).

3) Claims 14, 16, 17, 20-23, canceled claim 26, canceled claim 27, 29, 30, 34, and 35 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Ishiguro (U.S. Patent No. 7,216,368).

VII. ARGUMENTS

1. Rejection of claims 14, 16, 20, 22, 23, canceled claims 26 and claim 27 under the second paragraph of 35 U.S.C. §112

A. Independent claim 14

The outstanding Final Action of October 28, 2010, (hereinafter "FA") once again erroneously suggests that independent claim 14 is indefinite as being "generally narrative," as being "replete with grammatical and idiomatic errors," and as "failing to conform with current U.S. practice." However, these mere conclusions are not explained with any particularity as to any exemplary claim language that is considered to be "replete with grammatical and idiomatic errors" and/or that is "generally narrative." There is also no explanation of what is considered to constitute "current U.S. practice," much less any examples presented as to how any particular language in independent claim 14 is contrary to this undefined "current U.S. practice."

To the extent that the "FA" is suggesting that claiming components by what they do instead of what they are violates the second paragraph of 35 U.S.C. § 112, this suggestion is clearly contrary to well established precedent. See, for example, the precedent cited in MPEP §2173.01 that establishes that:

> A fundamental principle contained in 35 U.S.C. 112, second paragraph is that applicants are their own lexicographers. They can define in the claims what they regard as their invention essentially in whatever terms they choose so long as any special meaning assigned to a term is clearly set forth in the specification. See MPEP § 2111.01. Applicant **may use functional language**, alternative expressions, negative limitations, **or any style of expression or format of claim which makes clear the boundaries of the subject matter for which protection is sought**. As noted by the court in *In re Swinehart*, 439 F.2d 210, 160 USPQ 226 (CCPA 1971), a claim may not be rejected solely because of the type of language used to define the subject matter for which patent protection is sought. (Emphasis added.)

Further in this regard, it has been previously noted to the Examiner, and now being expressly noted to the Board that MPEP §2173.02 states that:

> The examiner's focus during examination of claims for compliance with the requirement for definiteness of 35 U.S.C. 112, second paragraph, is whether the claim meets the threshold requirements of clarity and precision, not whether more suitable language or modes of expression are available. When the examiner is satisfied that patentable subject matter is disclosed, and it is apparent to the examiner that the claims are directed to such patentable subject matter, he or she should allow claims which define the patentable subject matter with a reasonable degree of particularity and distinctness. Some latitude in the manner of expression and the aptness of terms should be permitted even though the claim language is not as precise as the examiner might desire. Examiners are encouraged to suggest claim language to applicants to improve the clarity or precision of the language used, but should not reject claims or insist on their own preferences if other modes of expression selected by applicants satisfy the statutory requirement.

In any event, to whatever extent that the Examiner is seeking to require the use of some unidentified "current U.S. practice," the Examiner must first analyze amended independent claim 14 and set forth the reasons why amended independent claim 14 does not meet the threshold requirements of clarity and precision required by the statute. In other words, it is clear error to simply conclude that some undefined standard of "current U.S. practice" has not been met. Similarly, simply concluding that independent claim 14 is "replete with grammatical and idiomatic errors" and/or is "generally narrative," all without even one example of such "narrative" language or such "grammatical and idiomatic errors" is not an explanation of what makes the claim so indefinite that the scope thereof cannot be determined in light of the specification. This last point describes the actual test for compliance with the second paragraph of 35 U.S.C. §112, *see Miles Lab., Inc. v. Shandon Inc.*, 997 F.2d 870, 875, 27 USPQ2d 1123, 1126 (Fed. Cir. 1993), cert. denied, 510 U.S. 1100 (1994), not unsubstantiated Examiner conclusions offered without even one concrete example. Thus, the actual test asks the question of whether or not one skilled in the art would understand the bounds of the claims when reading these claims in light of the specification. As the actual minimum requirements of clarity and precision required by the statute are respectfully submitted to be met by at independent claim 14, the mere unsubstantiated conclusions offered in item 20 on page 9 of the "FA" cannot be said to present a reasonable basis for the rejection of amended independent claims 14 under the second paragraph of 35 U.S.C. §112.

Turning to item 21 on page 10 of the "FA," the statement and apparently new rationale there that this claim somehow "purports to be both a product or machine and a process" is a clear

Examiner interpretation error. In this respect, nothing recited by independent claim 14 can be **reasonably** interpreted to be a step in a process.

In this respect, it is again noted that the Examiner erroneously fails to cite even one example of language from independent claim 14 that one skilled in the art would **reasonably** understand was attempting to claim a process step.

Furthermore, since the response filed March 24, 2009, the unexplained reliance on *Ex parte Lyell,* 17 USPQ2d 1548 (B.P.A.I. 1990) that is cited at the end of item 10 of the "FA" has been noted to be completely without merit. In this regard, the Examiner appears to erroneously interpret the clear functional recitations of independent claim 14 (that define the content reproduction device, the license server and the accounting server of independent claim 14 by what they do, rather then by what their circuit components are), as being express step limitations, like those in the *Lyell* decision. Note, for example, the following from the traversal of a similar rejection theory on pages 14 and 15 of the Amendment filed March 24, 2009, as follows:

> ...
> This rationale has misinterpreted the clearly permissible **functional language** (*see In re Swinehart*, 439 F.2d 210, 160 USPQ 226 (CCPA 1971) cited in the above noted quotation from MPEP §2173.01) of this claim as somehow constituting process language like the specifically claimed process steps in exemplary claim 2 in *Lyell* that is repeated as follows:
>
> > 2. An automatic transmission tool in the form of a workstand **and method for using same** comprising:
> > a support means,
> > and [sic] internally splined sleeve affixed upright to said support means,
> > a threaded adjustment bolt threadably engaged through a hole in the bottom of said support means and projecting upward through said support frame into said sleeve,
> > and **further comprising the steps of**
> > **1. positioning the output end of an automatic transmission onto said upright sleeve,**
> > **2. removing the internal components of said automatic transmission from the casing of said transmission,**
> > **3. repairing and replacing said internal components back into said casing, and**
> > **4. adjusting said internal components for fit and interference by means of adjusting said upwardly projecting adjustment bolt**. (Emphasis added.)

The language noted in the outstanding Action is not this expressly stated "method" and "step" language in *Lyell,* instead it relates to recitations of functions. With further regard to such **functional language**, this type of claim language is noted to be proper for use in an apparatus claim in terms of being noted to comply with the second paragraph of 35 U.S.C. §112 by the court in *In re Swinehart, supra* [439 F.2d 210, 160 USPQ 226 (CCPA 1971)]. In addition, MPEP §2173.05(g) notes that:

> A functional limitation must be evaluated and considered, just like any other limitation of the claim, for what it fairly conveys to a person of ordinary skill in the pertinent art in the context in which it is used. A functional limitation is often used in association with an element, ingredient, or step of a process to define a particular capability or purpose that is served by the recited element, ingredient or step.

Once again, it is noted to be clear that the "FA" is erroneously misconstruing the language of independent claim 14 that describes the content reproduction device, the license server and the accounting server by what they must do rather than by their circuit components as somehow being step limitations, like those expressly recited in the *Lyell* decision.

Further missing in the "FA" is any attempt to address the case of *Credle v. Bond,* 25 F3d 1566, 1572, 30 USPQ2d 1911, 1915 (Fed. Cir. (1994) that was cited and discussed in the paragraph bridging pages 9 and 10 of the Request for Reconsideration filed on June 3, 2010 as follows:

Besides the unanswered arguments that are repeated above from the Amendment filed March 24, 2009, the case of *Credle v. Bond*, 25 F3d 1566, 1572, 30 USPQ2d 1911, 1915 (Fed. Cir. (1994) is noted as to the well documented understanding of the nature of steps in a method claim as follows:

> Furthermore, from the structure of the entire count, one observes that before each clause containing an undisputed present participle designating the method steps--" *providing* an insert with an elongated form . . ."; " *joining* two opposed webs of material to produce opposed walls . . ."; and ". . . *applying* a spout to one of the webs extending outwardly therefrom . . ."--there is a comma, indicating the beginning of a new, distinct step to be taken in the method of producing the collapsible bags. There is no such comma preceding "flexibly securing." This suggests that "securing" is not a present participle signifying a distinct method step, but instead indicates the static relationship between the spout and the form.

In addition to the previous rationales for rejecting claim 14 under the second paragraph of 35 U.S.C. §112, the "FA" adds a new rationale as paragraph 6 that bridges pages 4 and 5 thereof. This new rationale relies on *IPXL Holdings, L.L.C. v. Amazon.Com, Inc.,* 430 F.3d 1377, 1384 (Fed. Cir. 2005) in addition to the above-noted decision of *Ex Parte Lyell.* the newly cited *IPXL Holdings* decision involved a claim that recited that *"the user uses the input means"* to either change the predicted transaction information or accept the displayed transaction type and transaction parameters. It is clear that the "user" is a person, not a machine or device, and that the recitation *"the user uses the input means"* requires that someone is using the input means. There is no recitation of a "user" who "uses" anything in pending rejected independent claim 14. In addition, the decision in *IPXL Holdings, supra,* was noted to be based on the lack of clarity there as to when the claim would be infringed. ("[I]t is unclear whether infringement of claim 25 occurs when one creates a system that allows the user to [practice the claimed method step], or whether infringement occurs when the user actually [practices the method step]."). There is no similar ambiguity in independent claim 14.

In addition to the above noted incomplete and vaguely stated rationales alleging indefiniteness as to independent claim 14, item 22 on page 10 of the "FA" adds a further incomplete and vaguely stated rationale alleging indefiniteness as to independent claim 14. This further incomplete and vaguely stated rationale asserts "it is unclear to one of ordinary skill why the content requires 'decoding' after it has already been decoded (the encrypted content id [sic, is] decoded')" This incomplete and vaguely stated rationale misses the point that when the encrypted content is decoded for reproduction, this decoded encrypted content is not stored for further reproduction requests. Instead, each time reproduction of the encrypted content is desired, it must be decoded using the needed decoding information each time so that the encrypted content can be reproduced as decoded content. This helps prevent illegal use of the actual decoded content as explained in the paragraph bridging pages 9 and 10 of the specification. In addition, it is not clear what the "FA" is trying to say when it says "decoding will be understood to mean decrypting." In this respect, the specification is clear (note page 16, lines 6-9, for example) that in the context of this application the disclosed and claimed decoding of the encrypted content to provide decoded content for reproduction can be considered to be decoding the encrypted content by decrypting it. In any event, whether this processing of the encrypted

content to make it available for reproduction is called "decoding" or "decrypting," the point is that to have each reproduction there must first be a "decoding" or a "decrypting" using the "decoding information" as noted above.

As none of the rationales offered to support the rejection of independent claim 14 can be said to present a **reasonable** basis for the rejection of amended independent claim 14 under the second paragraph of 35 U.S.C. §112, the reversal of this rejection is clearly in order.

B. Independent claim 16

The "FA" further attempts to also erroneously suggest that independent claim 16 is indefinite as being "generally narrative," as being "replete with grammatical and idiomatic errors," and as "failing to conform with current U.S. practice." However, these mere conclusions are not explained with any particularity as to any exemplary claim language that is considered to be "replete with grammatical and idiomatic errors" and/or that is "generally narrative," as explained above relative to the same rational offered to support the rejection of independent claim 14 on this ground. As further noted above as to independent claim 14, there is also no explanation of what is considered to constitute "current U.S. practice," much less any examples presented as to how any particular language in independent claim 16 is contrary to this undefined "current U.S. practice."

Thus the Examiner's rationale that independent claim 16 is indefinite as being "generally narrative," as being "replete with grammatical and idiomatic errors," and as "failing to conform with current U.S. practice" clearly fails to pass muster as a viable rejection under the test set forth by the court in *Miles Lab., Inc. v. Shandon Inc.*, *supra.* As the actual minimum requirements of clarity and precision required by the statute are respectfully submitted to be met by independent claim 16, the mere unsubstantiated conclusions offered in item 20 on page 9 of the "FA" cannot be said to present a reasonable basis for the rejection of amended independent claims 16 under the second paragraph of 35 U.S.C. §112.

Turning to item 22 on page 10 of the "FA," this item adds the same further incomplete and vaguely stated rationale alleging indefiniteness as noted above relative to independent claim 14 and the assertion that "it is unclear to one of ordinary skill why the content requires 'decoding' after it has already been decoded (the encrypted content id [sic, is] decoded')" This

incomplete and vaguely stated rationale again misses the point that when the encrypted content is decoded for reproduction, this decoded encrypted content is not stored for further reproduction requests with the encrypted content. Instead, each time reproduction of the encrypted content is desired, it must be decoded using the decoding information separately stored on the license card each time so that the encrypted content can be reproduced as decoded content. This helps prevent illegal use of the actual decoded content as explained above relative to independent claim 14. In addition, and as further noted above as to independent claim 14, the specification is clear (note page 16, lines 6-9, for example) that in the context of this application the disclosed and claimed decoding of the encrypted content to provide decoded content for reproduction can be considered to be decoding the encrypted content by decrypting it. In any event, whether this processing of the encrypted content to make it available for reproduction is called "decoding" or "decrypting," the point is that to have each reproduction there must first be a "decoding" or a "decrypting" using the "decoding information" as noted above.

In addition, item 23 on page 10 of the "FA" adds a further rationale as to independent claim 16 by asserting that the recital "...wherein when the license vending machine reads a license card and decoding information does not exist for a content ID identifying an encrypted content..." is indefinite. This rationale is clearly moot as the amendment to claim 16 made March 24, 2009, eliminated this claim 16 language.

Moreover, the language now recites that "the license vending machine is structurally arranged to receive and read a license card lacking needed decoding information for a content ID identifying the desired encrypted content." There can be no doubt that the artisan reading this claim language in light of the specification would understand the scope of this claimed subject matter.

Accordingly, the rationale of item 23 on page 10 of the "FA"cannot be said to present a reasonable basis for the rejection of amended independent claim16 under the second paragraph of 35 U.S.C. §112.

As none of the rationales offered to support the rejection of independent claim 16 can be said to present a **reasonable** basis for the rejection of amended independent claim 16 under the second paragraph of 35 U.S.C. §112, the reversal of this rejection is clearly in order.

C. Dependent claim 20

Turning to item 24 on page 10 of the "FA," it is noted that the rationale offered here as to the rejection of dependent claim 20 under the second paragraph of 35 U.S.C. §112 is based on this claim reciting being dependent on claim 14 and reciting a method step (i.e. "...exchange of data...").

The limitation that dependent claim 20 adds to the limitations of independent claim 14 is that "the communication network is structurally arranged to exchange encrypted data between at least the content reproduction device and the license server." This is clearly a function and not a method step. Note again the above-discussed relevant precedent including *Swinehart, supra* and *Credle v. Bond, supra* that demonstrate the clear error in the Examiner's subjective arbitrary and capricious conclusion as to this language being a method step.

As item 24 on page 10 of the "FA" clearly misinterprets claim 20 as a claim that purports to be both a product and a process claim, the item 24 rationale based on *Ex parte Lyell, supra*, cannot be said to present a **reasonable** basis for the rejection of amended claim 20 under the second paragraph of 35 U.S.C. §112 and this rejection of dependent claim 20 should be reversed.

D. Dependent claim 22

Similarly, the limitation that dependent claim 22 adds to the limitations of independent claim 14 is that "the license server is further structurally arranged to record a content ID of a content used for each accounting ID as a usage history." Once again, this subject matter (noted in item 24 as being "...records a content ID...") is clearly an additional function that defines the license server, not a method step. Note again the above-discussed relevant precedent including *Swinehart* and *Credle v. Bond* that demonstrate the clear error in the Examiner's subjective arbitrary and capricious conclusion.

As item 24 on page 10 of the "FA" clearly misinterprets dependent claim 22 as being a claim that purports to be both a product and a process claim, the item 24 rationale based on *Ex parte Lyell, supra*, cannot be said to present a **reasonable** basis for the rejection of amended claim 22 under the second paragraph of 35 U.S.C. §112 and this rejection of dependent claim 22 should be reversed.

E. Dependent claim 23

Likewise, the limitation that dependent claim 23 adds to the limitations of independent claim 14 is that "the license server records the number of times of usage for each content ID as a usage history." Once again, this subject matter (noted in item 24 as being "...records the number...") is clearly an additional function that defines the license server, not a method step. Note again the above-discussed relevant precedent including *Swinehart* and *Credle v. Bond* that demonstrate the clear error in the Examiner's subjective arbitrary and capricious conclusion.

As item 24 on page 10 of the "FA" clearly misinterprets dependent claim 23 as being a claim that purport to be both a product and a process claim, the item 24 rationale based on *Ex parte Lyell, supra*, cannot be said to present a **reasonable** basis for the rejection of amended claim 23 under the second paragraph of 35 U.S.C. § 112 and this rejection of dependent claim 23 should be reversed.

F. Canceled claim 26

The express rejection of claim 26 under the second paragraph of 35 U.S.C. § 112 of items 25 and 26 on page 11 of the "FA" is clearly moot as claim 26 was canceled by the Amendment filed March 24, 2009. Accordingly this rejection of canceled claim 26 must be reversed.

G. Canceled claim 27

The implied (never properly expressly stated) ejection of claim 27 of item 27 on page 11 of the "FA" is clearly moot as claim 27 was canceled by the Amendment filed March 24, 2009. Accordingly this rejection of canceled claim 27 must be reversed.

2. Rejection of claims 34 and 35 under 35 U.S.C. §102

A. Independent claim 34

Items 29 and 30 on page 12 of the "FA" present a rejection of independent claim 34 under 35 U.S.C. § 102(b) as being anticipated by Ishiguro that is based upon a complete revision of MPEP § 2106.01 as to what the PTO has published as the official position of the PTO based

primarily upon the included interpretation of *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994). This published official position that is in agreement with the above-noted *Lowry* decision cited in MPEP § 2106.01 is that "'functional descriptive material' consists of data structures and computer programs which impart functionality when employed as a computer component." This published official position that is in agreement with the above-noted *Lowry* decision further notes that "[w]hen **functional descriptive material is recorded on some computer-readable medium, it becomes structurally and functionally interrelated to the medium and will be statutory in most cases since use of technology permits the function of the descriptive material to be realized**" (emphasis added). Thus, the Examiner's interpretation of the recited "computer-readable recording medium physically recording thereon a computer program for controlling ..." as somehow **not** reciting that the computer program is functionally related to the computer readable medium because "the computer program is considered stored data and will not distinguish the claim from the prior art" (citations omitted). This is a clearly arbitrary and capricious Examiner conclusion as the cited decisions contain no authority for this conclusion.

In this last regard, the above-noted *Lowry* decision (at 32 F.3d 1583 and at 32 USPQ2d 1034) that the Examiner relies upon specifically indicates that "[t]he printed matter cases [like the *Gulack* and *Ngai* decisions also relied on with *Lowry* on page 12 of the "FA"] have no factual relevance where 'the invention as defined by the claims *requires* that the information be processed not by the mind but by a machine ..." (emphasis in original).

Accordingly, as items 29 and 30 on page 12 of the "FA" clearly misinterpret claim 34 in terms of the recited "computer-readable recording medium physically recording thereon a computer program" not reciting a "computer program ... functionally related to the computer readable medium," and then errs by ignoring claim limitations that must be considered as dictated by the above-noted *Lowry* decision, the rejection of claim 34 under 35 U.S.C. § 102(b) as being anticipated by Ishiguro is untenable and must be reversed.

B. Independent claim 35

Items 29 and 31 on page 12 of the "FA" present a rejection of independent claim 35 under 35 U.S.C. § 102(b) as being anticipated by Ishiguro that is again based upon a complete improper Examiner revision of MPEP § 2106.01 as to what the PTO has published as the official

position of the PTO based primarily upon the included interpretation of the above-noted *Lowry* decision. As further noted above, the Examiner's conclusion that the subject matter of independent claim 35, which also recites a "computer-readable recording medium physically recording thereon a computer program," can be ignored is completely untenable as being in direct conflict with the *Lowry* decision and MPEP § 2106.01 as explained above.

Accordingly, as items 29 and 31 on page 12 of the "FA" clearly misinterpret claim 35 in terms of the recited "computer-readable recording medium physically recording thereon a computer program" not reciting a "computer program ... functionally related to the computer readable medium," and then errs by ignoring claim limitations that must be considered as dictated by the above-noted *Lowry* decision, the rejection of claim 35 under 35 U.S.C. § 102(b) as being anticipated by Ishiguro is untenable and must be reversed.

3. Rejection of claims 14, 16, 17, 20- 23, canceled claims 26 and claim 27, 29, 30, 34, and 35 under 35 U.S.C. §103(a)

A. Independent claim 14

Item 33 on page 13 of the "FA" sets forth a rejection of independent claim 14 under 35 U.S.C. §103(a) as being unpatentable over Ishiguro. Item 34 on page 13 of the "FA" follows the rejection statement with an allegation that Fig. 1; col. 6, lines 50-65; and col. 7, lines 1-3 of "Ishiguro discloses an accounting system comprising: a license server connected with an accounting server and a content reproduction device that is structurally arranged to read out an accounting ID identifying money information from a prepaid card, to transmit a content ID identifying a desired encrypted content and the accounting ID to the license server through a communication network, and to receive and store decoding information needed to decode the desired encrypted content from the license server when the license server determines that decoding information can be provided to the content reproduction device."

This allegation includes a clearly erroneous interpretation of col. 3, lines 1-3 of Ishiguro that only disclose that "[a]ny number of content servers 3, license servers 4, and accounting servers 5 may be configured and connected to the Internet 2 in practice."

This allegation includes a further clearly erroneous interpretation of col. 6, lines 50-65 of Ishiguro. Besides presenting the heading "DETAILED DESCRIPTION" and the sub-heading "Best Mode for Carrying Out the Invention" at lines 50 and 51, col. 6, lines 54-60 only teach

client connections that have no relevance to the claim 14 requirement for "an accounting system comprising: a license server connected with an accounting server and a content reproduction device that is structurally arranged to read out an accounting ID identifying money information from a prepaid card, to transmit a content ID identifying a desired encrypted content and the accounting ID to the license server through a communication network, and to receive and store decoding information needed to decode the desired encrypted content from the license server when the license server determines that decoding information can be provided to the content reproduction device."

While col. 6, lines 61-62 of Ishiguro at least mention a "content server 3, a license server 4, and a an accounting server 5" that are all connected to the Internet 2, there is no mention of any of these servers or any of the clients being "structurally arranged to read out an accounting ID identifying money information **from a prepaid card**" (emphasis added). Further conspicuous by its absence is any teaching or suggestion that the client (or any other device) will transmit anything to the license server 4 that can be reasonably be equated to the claim 14 requirement for transmitting "a content ID identifying a desired encrypted content and the accounting ID to the license server through a communication network."

Also missing is any hint of how any of relied upon col. 6, lines 50-67 of Ishiguro teach receiving "decoding information needed to decode the desired encrypted content from the license server when the license server determines that decoding information can be provided to the content reproduction device." The teaching at col. 6, lines 62-63 of Ishiguro is simply that the "content server 3 provides contents to the client 1" which is not the same as receiving "decoding information needed to decode the desired encrypted content from the license server." Likewise, the teaching at col. 6, lines 63-65 of Ishiguro is simply that the "license server 4 offers the client 1 licenses for using the contents provided by the content server 3," not that these licenses are "decoding information needed to decode the desired encrypted content." Finally, col. 6, lines 65-67 simply teach that the "accounting server 5 performs an accounting process regarding the client 1 having acquired a license."

Apparently aware that the meager and inappropriate above-noted references to "Fig. 1; col. 6, lines 50-65; col. 7, lines 1-3" of Ishiguro are completely inadequate to satisfy 37 CFR § 1.104(c)(2), page 3 of the "FA" presents stray remarks in item 4 on page 3 as to just claim 14 under the page 2 general heading "Response to Arguments." Here, the more specific operations

of the license server 4 are noted relative to Fig. 9 that is discussed below as to being improperly relied upon as to the claim 16 "vending machine." The license renewing process of Fig. 11 is further erroneously noted here to somehow be a disclosure of a license server as is the license purchasing process flow chart of Fig. 33.

In addition to the cryptic and erroneous allegations as to Figs. 11 and 33, item 4 on page 3 of the "FA" admits that the claimed limitations as to the performance of the license server that are required by claim 14 are being ignored based upon an erroneous analysis of the below-noted *Schreiber* [*see In re Schreiber*, 128 F.3d 1473, 44 USPQ2d 1429 (Fed. Cir. 1997)] and *Swineheart* [*see In re Swinehart,* 439 F.2d 210, 160 USPQ 226 (CCPA 1971)] decisions associated with a misinterpretation of MPEP § 2114 that does not say that properly presented functions not inherently performed by a prior art reference can be treated as not being entitled to patentable weight.

Paragraph 5 that bridges pages 3 and 4 of the outstanding Action further notes some examples of claim 14 limitations with some associated functions and then erroneously alleges that "Ishiguro discloses all of the structural elements in the claim." Missing from the abbreviated listing of "license server," "content reproduction device" and "license vending machine" are the claim 14 recited "prepaid card," the claim 14 recited "communication network," as well as the claim 14 recited "accounting server." Furthermore, the outstanding Action adds to the list of clear errors committed by suggesting that claim 14 recites a "license vending machine" as well as once again improperly ignoring positively recited claim limitations based upon a clearly erroneous interpretation of the noted *Schreiber* [*see In re Schreiber*, 128 F.3d 1473, 44 USPQ2d 1429 (Fed. Cir. 1997)] and *Swineheart* [*see In re Swinehart,* 439 F.2d 210, 160 USPQ 226 (CCPA 1971)] decisions.

In addition, it appears that the Examiner acknowledges that at least the requirement of claim 14 that the content reproduction device must "read out an accounting ID identifying money information from a prepaid card" is missing at page 14 lines 4-6. The Examiner improperly alleges that this missing subject matter can be essentially ignored because the Examiner finds that Ishiguro discloses "a user inputting personal information as well as accounting information into the input unit" with apparent regard to unspecified parts of flow charts of Figs. 6 and 44 coupled with the disclosures at col. 20, lines 1-30 and col. 28, lines 35-45.flow charts of Figs. 6 and 44 all taken with the misinterpretation that "claims to an apparatus must be distinguished

from the prior art in terms of structure rather than function alone (MPEP 2114; in re *Swinehart*, 169 USPQ 226; *In re Schreiber*, 44 USPQ2d 1429 (Fed. Cir. 1997)." Thus, the Examiner incorrectly concludes that "the language [apparently the language requiring that the "content reproduction device" must "read out an accounting ID identifying money information from a prepaid card"] does not have patentable weight." Missing is any explanation as to why the claimed requirement for a "prepaid card" is not a structural limitation and how Ishiguro teaches this structural limitation.

In any event, MPEP § 2114 actually notes that the holding in *Schreiber* [*see In re Schreiber*, 128 F.3d 1473, 1477-78, 44 USPQ2d 1429, 1431-32 (Fed. Cir. 1997)] was based upon the functional limitations at issue there being found to be "**inherent**" in the prior art reference under consideration there, not that these functional limitations at issue were not being given patentable weight to avoid defining over the prior art by function alone as the Examiner misinterprets the decision. In this regard, MPEP § 2114 specifically notes that the decision was based upon "[t]he absence of a disclosure in a prior art reference relating to function did not defeat the Board's finding of anticipation of claimed apparatus **because the limitations at issue were found to be inherent in the prior art reference**" (emphasis added).

In this last regard, it is noted that the rejections under review in both *Schreiber, supra,* and *Swineheart, supra,* were made under 35 U.S.C. § 102 based on anticipation and in each case the prior art reference relied upon to make the rejection was found by the court to include structure that would perform the claimed function under the principle of **inherency**. It was in this **inherency** context that the court in *Schreiber, supra* noted that "[t]he examiner and the Board both addressed the question whether the functional limitations of Schreiber's claim gave it patentable weight and concluded that they did not, **because those limitations were found to be inherent in the Harz prior art reference**" (emphasis added). Here, the Examiner has not demonstrated any evidence or produced any sound scientific reasoning to even remotely hint that that any component disclosed by Ishiguro will **inherently** "read out an accounting ID identifying money information from a prepaid card, to transmit a content ID identifying a desired encrypted content and the accounting ID to the license server through a communication network."

Further in this regard, MPEP § 2112 (IV) establishes that the Examiner must provide a rationale or evidence tending to show inherency. Inherency may not be established by mere probabilities or possibilities as it must be necessarily present. *See In re Oelrich*, 666 F.2d 578,

581, 212 USPQ 323, 326 (CCPA 1981) and *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993).

Whatever Ishiguro discloses as to the "user inputting personal information as well as accounting information into the input unit," relative to "figs 6 44; col 20 lines 1-30; col 28 lines 35-55" mentionedat page 14 of the "FA," this does not teach or suggest the independent claim 14 content reproduction device that is "structurally arranged to read out an accounting ID identifying money information from a prepaid card" or even the structure of a prepaid card. As noted above, these limitations cannot be ignored as the Examiner alleges. See *Innova/Pure Water Inc. v. Safari Water Filtration Sys. Inc.*, 381 F.3d 1111, 1117-20, 72 USPQ2d 1001, 1006-08 (Fed. Cir. 2004), where the court noted that the claim term "operatively connected" is "a general descriptive claim term frequently used in patent drafting to reflect a functional relationship between claimed components," that is, the term "means the claimed components must be connected in a way to perform a designated function." Also note *K-2 Corp. v. Salomon S.A.*, 191 F.3d 1356, 1363, 52 USPQ2d 1001, 1004-05 (Fed. Cir. 1999) as follows:

> The functional language ["*for substantially preventing movement therebetween at least in a horizontal plane*"] is, of course, ***an additional limitation in the claim*** [emphasis added]. *See , e.g. , Wright Med. Tech., Inc. v. Osteonics Corp.* , 122 F.3d 1440, 1443-44, 43 USPQ2d 1837, 1840 (Fed.Cir. 1997) (functional language analyzed as a claim limitation). This limitation requires that the attachment between the bootie and the base "substantially prevent []" movement of the bootie (and presumably, the user's foot when inserted in the bootie) in a horizontal plane. In other words, the functional language requires that the attachment prevent the bootie from sliding around on top of the base; it demands a structural rigidity in the horizontal dimension to the connection between the bootie and the base.

Besides improperly trying to ignore the requirements of the above-noted claim language, the paragraph bridging pages 14 and 15 of the "FA" suggests that the relied upon misinterpretation of the actual *Schreiber* [*see In re Schreiber*, 128 F.3d 1473, 44 USPQ2d 1429 (Fed. Cir. 1997)] and *Swineheart* [*see In re Swinehart,* 439 F.2d 210, 160 USPQ 226 (CCPA 1971)] decisions permits the Examiner to ignore the remainder of the express limitations of independent claim 14 that are also clearly not taught by Ishiguro. This allegation that would ignore these positively recited claim limitations is again completely without merit and contrary to the above-noted precedent.

Accordingly, as the Examiner's rejection of independent claim 14 under 35 U.S.C. §103(a) as being unpatentable over Ishiguro is erroneously based upon improperly ignoring express claim limitations it cannot be sustained.

B. Independent claim 16

Item 33 on page 13 of the "FA" also sets forth the rejection of independent claim 16 under 35 U.S.C. §103(a) as being unpatentable over Ishiguro.

The "FA" first erroneously alleges (in the last full paragraph at the bottom of page 15 thereof) that Fig. 1 and col. 7, lines 1-3, of Ishiguro somehow teach "a license vending machine connected to the license server through a communication network, the license vending machine being structurally arranged to read decoding information from a license card needed to provide desired encrypted content from the content reproduction device." The clearly erroneous nature of this allegation is then admitted at the bottom of page 16 of the "FA" in terms of changing reliance to Fig. 9, col. 6, lines 60-65, and col. 12, lines 1-25 for teaching a vending machine that is admitted to ***not*** be disclosed to be "structurally arranged to receive and read a license card."

However, relied upon Fig. 9 is a flowchart for a license providing process performed by a license server, not by a "license vending machine." Col. 6, lines 60-65 discuss license server operation and how content server 3 provides contents to the client 1 while license server 4 offers the client 1 licenses for using the contents provided by the content server 3. The accounting server 5 is also mentioned, but there is no hint here of any "license vending machine." Similarly, col. 12, lines 1-25 describe some of the steps shown by Fig. 9 as to license processing and accounting processing but there is again no discussion of any "license vending machine," much less one operating to receive and read a license card. It is impossible to determine how the "FA" turns these meager disclosures into the limitations of claim 16 based on no more than observing that Ishiguro discloses inputting information by keyboard coupled with the allegation that "it would have been a predictable result of the invention to store or backup the needed information in the input device or storage medium in case it is not available on the machine" as noted in the last five (5) lines at the bottom of page 17 of the "FA."

Furthermore, nothing in the relied upon *Smith* decision cited at the end of these last five (5) lines at the bottom of page 17 suggests that the PTO can ignore claim limitations or the requirements of the Administrative Procedure Act that requires the PTO to provide **substantial**

evidence to support any conclusions. *See In re Lee*, 217 F.3d 1365, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002). In the cited *Smith* case there was **evidence made of record** to support the proposed change and **no such evidence has been made of record here**.

The improper reliance on the above-noted misinterpreted *Schreiber* and *Swinehart* decisions that are again cited on page 18 of the "FA" as somehow authorizing the Examiner to ignore express claim limitations has been shown above to be clear Examiner error based on the clearly erroneous interpretation of these decisions that is clearly refuted by the precedent cited above.

Compounding this clear error is the further clearly erroneous reliance on the *Collier* decision at the bottom of page 18 of the outstanding Action (as to limitations characterized as "actions that may or may not be done" being indefinite). Even if such "indefinite" actions were claimed, which is not the case, this does not mean that they can be ignored in a prior art rejection. See MPEP §2143.03 that directs examiners to consider all claim limitations in an obviousness analysis, even those asserted to be indefinite. Further note *In re Wilson*, 424 F.2d 1382, 165 USPQ 494 (CCPA 1970) cited there.

C. Independent claim 34

Independent claim 34 is directed to a computer-readable recording medium physically recording thereon a computer program for controlling an accounting system that is very similar to the one noted in independent claim 14. In this regard, a content ID identifying a desired encrypted content and the accounting ID must be transmitted to the license server after the content reproduction device reads a prepaid card to read out an accounting ID identifying money information.

While the statement of the rejection of item 32 at page 13 of the "FA" includes independent claim 35, there is no attempt made at pages 13-20 to explain how the requirement of claim 35 that a computer-readable recording medium physically recording thereon a computer program for controlling an accounting system has been determined to be taught or suggested by Ishiguro in light of the admission at page 12 of the FA (in tem 31) that Ishiguro does not teach this computer-readable recording medium physically recording thereon a computer program for controlling an accounting system.

Therefore, as no attempt to establish a *prima facie* case of obviousness has been made that specifically treats all of the limitations of independent claim 34, the notification requirements of 35 U.S.C. § 132 have been violated and this rejection of independent claim 34 must be reversed.

D. Independent claim 35

Independent claim 35 is directed to a computer-readable recording medium physically recording thereon a computer program for controlling an accounting system very much like the one noted in independent claim 14. In this regard, a content ID identifying a desired encrypted content and the accounting ID must be transmitted to the license server after the content reproduction device reads a prepaid card to read out an accounting ID identifying money information.

While the statement of the rejection of item 32 at page 13 of the "FA" includes independent claim 34, there is no attempt made at pages 13-20 to explain how the requirement of claim 34 that a computer-readable recording medium physically recording thereon a computer program for controlling an accounting system has been determined to be taught or suggested by Ishiguro in light of the admission at page 12 of the FA (in tem 30) that Ishiguro does not teach this computer-readable recording medium physically recording thereon a computer program for controlling an accounting system.

Therefore, as no attempt to establish a *prima facie* case of obviousness has been made that specifically treats all of the limitations of independent claim 35, the notification requirements of 35 U.S.C. § 132 have been violated and this rejection of independent claim 35 must be reversed.

E. Dependent claims 17, 20-23, canceled claim 26, canceled claim 27, dependent claims 29 and 30

Dependent claims 17, 29, and 30 all ultimately depend from independent claim 16 and will stand or fall with this separately argued independent claim.

Dependent claims 20-23 all ultimately depend from independent claim 14 and will stand or fall with this separately argued independent claim.

Claims 26 and 27 have been canceled so that the rejection thereof on any grounds is clearly moot.

VIII. CLAIMS

A copy of the claims involved in the present appeal is attached hereto as Appendix A.

IX. EVIDENCE

There is no additional evidence pursuant to §§ 1.130, 1.131, or 1.132 and/or evidence entered by or relied upon by the examiner that is relevant to this appeal as noted in Appendix B.

X. RELATED PROCEEDINGS

No related proceedings are referenced in II. above, and thus, copies of decisions in related proceedings are not provided.

XI. CONCLUSION

The reversal of the outstanding rejections is earnestly solicited.

If necessary, the Director is hereby authorized in this, concurrent, and future replies to charge any fees required during the pendency of the above-identified application or credit any overpayment to Deposit Account No. 02-2448.

Dated: July 27, 2011

Respectfully submitted,

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APPENDIX A

Claims Involved in the Appeal of Application No. 10/565,853

14. (Previously presented) An accounting system comprising:

a license server connected with an accounting server; and

a content reproduction device that is structurally arranged to read out an accounting ID identifying money information from a prepaid card, to transmit a content ID identifying a desired encrypted content and the accounting ID to the license server through a communication network, and to receive and store decoding information needed to decode the desired encrypted content from the license server when the license server determines that decoding information can be provided to the content reproduction device,

wherein the license server is structurally arranged to receive the content ID and the accounting ID from the content reproduction device and to transmit an accounting amount obtained from the received content ID and the accounting ID to the accounting server that is structurally arranged to compare the accounting amount to a remaining amount of money information corresponding to the received accounting ID and when the remaining amount of money information corresponding to the received accounting ID is larger than the accounting amount the accounting server subtracts the accounting amount from the remaining amount of money information corresponding to the received accounting ID and returns an indication of a successful accounting result to the license server that upon receipt of the indication of the successful accounting result determines that the decoding information corresponding to the content ID will be provided to the content reproduction device through the communication network so that the content reproduction device then performs decoding with the stored decoding information each time the particular encrypted content is selected to be decoded for reproduction.

16. (Previously presented) An accounting system comprising:

a content reproduction device;

a license server connected to an accounting server; and

a license vending machine connected to the license server through a communication network, the license vending machine being structurally arranged to read decoding information from a license card needed to provide desired encrypted content from the content reproduction device,

wherein the license vending machine is structurally arranged to receive and read a license card lacking needed decoding information for a content ID identifying the desired encrypted content, the license vending machine is further structurally arranged to read out an accounting ID identifying money information and the content ID from the license card corresponding to the desired encrypted content, to transmit the content ID and the accounting ID to the license server, to receive the needed decoding information from the license server based upon the content ID and the accounting ID transmitted to and processed by the license server and to record the needed decoding information correspondingly to the content ID and the desired encrypted content into the license card when supplied by the licensing server, the licensing server being structurally arranged to receive the content ID and the accounting ID from the license vending machine and to transmit an accounting amount obtained from the received content ID and the accounting ID to the accounting server that is structurally arranged to compare the accounting amount to a remaining amount of money information corresponding to the received accounting ID and when the remaining amount of money information corresponding to the received accounting ID is larger than the accounting amount the accounting server subtracts the accounting amount from the remaining amount of money information corresponding to the received accounting ID and returns an indication of a successful accounting result to the license server that upon receipt of the indication of the successful accounting result determines that the decoding information corresponding to the content ID will be provided to the license vending machine through the communication network,

wherein the content reproduction device is structurally arranged to receive and read the license card so as to obtain selected decoding information stored in the license card that corresponds to a content ID identifying particular encrypted content selected for reproduction and to store the selected decoding information and to then perform decoding with the stored

selected decoding information each time the particular encrypted content is selected to be decoded for reproduction.

17. (Previously presented) The accounting system of claim 16, wherein when a content ID of an encrypted content to be reproduced does not exist in the license card, the content reproduction device records the content ID into the license card.

20. (Previously presented)The accounting system of claim 14, wherein the communication network is structurally arranged to exchange encrypted data between at least the content reproduction device and the license server.

21. (Previously presented) The accounting system of claim 14, wherein the accounting ID and/or the decoding information are provided with an expiration date.

22. (Previously presented) The accounting system of claim 14, wherein the license server is further structurally arranged to record a content ID of a content used for each accounting ID as a usage history.

23. (Previously presented) The accounting system of claim 22, wherein the license server records the number of times of usage for each content ID as a usage history.

29. (Previously presented) The accounting system of claim 16, wherein the communication network is structurally arranged to exchange encrypted data between at least the content reproduction device and the license server.

30. (Previously presented)The accounting system of claim 17, wherein the communication network is structurally arranged to exchange encrypted data between at least the content reproduction device and the license server.

34. (Previously presented) A computer-readable recording medium physically recording thereon a computer program for controlling an accounting system including a license server connected

with an accounting server and further connected to a content reproduction device through a communication network, the computer program including:

a sub-program controlling the content reproduction device to read out an accounting ID identifying money information from a prepaid card, to transmit a content ID identifying a desired encrypted content and the accounting ID to the license server through a communication network, and to receive decoding information needed to decode the desired encrypted content from the license server when the license server determines that decoding information can be provided to the content reproduction device;

a sub-program controlling the license server to receive the content ID and the accounting ID from the content reproduction device and to transmit an accounting amount obtained from the received content ID and the accounting ID to the accounting server and to provide the decoding information corresponding to the content ID to the content reproduction device through the communication network when the license server receives an indication of a successful accounting result from the accounting server; and

a sub-program controlling the accounting server to compare the accounting amount received from the license server to a remaining amount of money information corresponding to the accounting ID also received from the license server and when the remaining amount of money information is larger than the accounting amount the accounting server is controlled to subtract the accounting amount from the remaining amount of money information corresponding to the received accounting ID and to return the indication of a successful accounting result to the license server.

35. (Previously presented) A computer-readable recording medium physically recording thereon a computer program for controlling a content reproduction device connected through a communication network to a license server that is connected with an accounting server,

wherein the computer program controls the content reproduction device:

to read out an accounting ID identifying money information from a prepaid card;

to transmit a content ID identifying a desired encrypted content and the accounting ID to the license server through the communication network; and

to receive decoding information needed to decode the desired encrypted content from the license server when the license server and the accounting server cooperate to determine that

decoding information can be provided to the content reproduction device based upon a successful accounting result provided from the accounting server to the license server that enables the accounting server to transmit the decoding information needed to decode the desired encrypted information to the content reproduction device.

APPENDIX B

There is no additional evidence pursuant to §§ 1.130, 1.131, or 1.132 and/or evidence entered by or relied upon by the examiner that is relevant to this appeal.

APPENDIX C

There are no related proceedings.